



**District of Columbia  
Department of  
Housing and  
Community  
Development**

801 North Capitol Street, NE  
Washington, D.C. 20002

(202) 442-7200  
(202) 442-7079 Fax

[www.dhcd.dc.gov](http://www.dhcd.dc.gov)

Anthony A. Williams  
*Mayor*

Stanley L. Jackson  
*Deputy Mayor for Planning  
and Economic Development*

Jalal Greene  
*Director, Department of Housing  
and Community Development*

Victor L. Selman  
*Chief Operating Office*

Robert L. Trent  
*Chief of Staff*

Lawrence C. Cager, Jr.  
*Deputy Director for Development  
Finance*

# REQUEST FOR PROPOSALS

*Housing Production Trust Fund  
(HPTF)*

*HOME Investment Partnerships  
Program (HOME)*

*Community Development Block  
Grants (CDBG)*

*Low Income Housing Tax Credits  
(LIHTC)*

Issue Date: October 28, 2005

Closing Date: January 6, 2006



*The District of Columbia Department of Housing and  
Community Development pledges to foster the letter and  
spirit of the law for achieving equal housing opportunity in  
the District of Columbia.*



# REQUEST FOR PROPOSALS

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## **Housing Production Trust Fund (HPTF) HOME Investment Partnership Program (HOME) Community Development Block Grants (CDBG) Low Income Housing Tax Credits (LIHTC)**

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## **Synopsis**

The following synopsis is provided to give applicants quick access to essential information:

- Availability of \$41 million from HPTF, HOME, CDBG and LIHTC.
- Soliciting applications for new construction and rehabilitation projects: housing, commercial and community facilities.
- Schedule:
  - **Notice of Funding Availability** published: Friday, October 21, 2005
  - **Pre-Proposal Conferences:**

DC Department of Housing and Community Development  
801 North Capitol Street, NE  
Washington, DC 20002  
9<sup>th</sup> Floor (Conference Room)

Date: November 3, 2005 Time: 9:00 am to 12:00 noon

Agenda: Discussion of the RFP process and response to questions

**More Pre-proposals Conference dates to be announced, call 202/442-7281 for updates**

- **Proposals Due: On or before 4 p.m., E.S.T. Friday, January 6, 2006. Applicants please deliver *five signed copies of the application* – an original, in a **three ring binder** (with each exhibit tabbed), and **four (4) stapled copies** to:**
- DHCD, Development  
Finance Division, 801 North Capitol Street, N.E.,  
2<sup>nd</sup> Floor receptionist's desk, Washington, DC 20002.

**NOTE: Applications will be dated and time-stamped and receipts will be issued.**

- **NO APPLICATIONS WILL BE ACCEPTED AFTER THE FILING DEADLINE.**

- Announcement of Selection or Declination for Underwriting Phase: **March 2006.**
- **Application Completion: An application must be complete to receive consideration, or it will be rejected. This includes, but is not limited to, the following:**
  - **Documentation fully demonstrating compliance with the Basic Eligibility Requirements (RFP, Appendix A) at the time of application on, or before January 6, 2006, must be submitted with the application in order to receive further consideration. NOTE: The Application may not be supplemented and/or altered after submission.**

- **An individual authorized to obligate your organization must sign the Form 202 Application Summary Sheet. Unsigned applications will not be accepted. The Certification documents, including Contract Affidavit, Qualifications Statements, and Monitoring Certification Forms (all in “Exhibits” of the Application Submission Package) must also be signed.**
- **Members of the development team, e.g. applicant, developer, owner, etc., must not be suspended voluntarily or involuntarily from participation in any federal or District Programs. At the time of application, applicant/developer must have a certificate of good standing from the Department of Consumer and Regulatory Affairs (DCRA), and have no outstanding Federal or District obligations and/or liability or any other type of indebtedness, due to the District of Columbia including prior DHCD or (former lease payments or defaulted grant(s)) from the Office of Business and Economic Development loan obligations. There shall be no exceptions; violators shall be removed from consideration under the current RFP at any time this is discovered.**
- **If it is determined, during any stage of the review, underwriting or funding process, that the applicant or any business affiliate has any outstanding indebtedness to DHCD or the District, the applicant shall be removed from further consideration in this funding round.**
- Screening of proposals for the Basic Eligibility Requirements (**Appendix A**) will be done by DHCD. The evaluation and scoring (**Appendix B1-B6**) of proposals will be conducted by an Independent Review Team. The Review Panel will make recommendations to the Department on applications to be considered for the underwriting phase of the process. The Department will make the final decision on which applications to move to the underwriting phase of the funding process.

# REQUEST FOR PROPOSALS

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## **Housing Production Trust Fund (HPTF) HOME Investment Partnership Program (HOME) Community Development Block Grants (CDBG) Low Income Housing Tax Credits (LIHTC)**

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### ***I. Introduction***

The District of Columbia Department of Housing and Community Development (DHCD or “Department”) requests proposals in conjunction with the **October 21, 2005** published announcement of the availability of \$41 million to finance the development of affordable housing and community facilities:

- \$30 million in funding under the District’s Housing Production Trust Fund (HPTF or “Fund”);
- \$10 million in federal Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds; and
- \$1 million in federal Low Income Housing Tax Credits (LIHTC) allocation.

Through this Request for Proposals (RFP), DHCD is soliciting applications for funding for projects that will help the Department fulfill its goals of:

- Increasing the supply of decent, affordable rental and ownership housing through preservation, rehabilitation and assistance for new construction; and
- Supporting neighborhood revitalization and economic opportunities.

Proposals for funding may be submitted to DHCD for a specific funding source, or applicants may leave the choice of funding source up to DHCD. However, DHCD reserves the right to substitute one funding source for another in situations where the Department determines that doing so would maximize the public benefit to be derived without negatively impacting the development project.

Copies of applicable regulations are available upon request. In order to submit a fully competitive proposal and maximize the scoring potential of the application, all application filing requirements must be closely followed and all information requested in the application should be responded to completely. Applications must be received at DHCD on or before **4 p.m., E.S.T., Friday, January 6, 2006**. Applications must be delivered to the DHCD, Development Finance Division, 2<sup>nd</sup> Floor receptionist’s desk, 801 North Capitol Street, NE, Washington, DC 20002. A time/date clock stamp will be used and receipts will be issued at the time of submission.

**No applications will be accepted after the filing deadline.**

The complete RFP package for those applicants not interested in applying for LIHTC will contain the following documents:

1. RFP Text with Appendices A and B (this document)
2. RFP Reference Guidebook – bound separately; and
3. DFD Financing Application Submission Package (Instructions, Application Forms); and
4. Exhibits

## ***II. Available Programs and Funding Sources***

Applicants may submit proposals for the DHCD financing programs identified in the RFP Reference Guidebook. **Where multiple funding sources (e.g., LIHTC, HPTF, HOME, etc.) are eligible sources for the proposed activity, applicants may specify the funding source(s) they prefer. However, DHCD reserves the right to allocate sources as it deems appropriate.**

## ***III. General Program Requirements***

Income limits and related maximum rents are key requirements related to those residents that the Department serves. Income limits are identified below. Maximum rents are determined by Fair Market Rents (FMR) and by funding source regulations. The RFP Reference Guidebook contains the FMR. The regulations can be accessed as follows:

- HPTF: The RFP Reference Guidebook
- CDBG/HOME: on the web at [www.hud.gov](http://www.hud.gov)<sup>1</sup>; and hardcopy<sup>2</sup>
- LIHTC: Section 42 of the IRS Code of 1986: [www.irs.gov](http://www.irs.gov)

**A. Income Limits:** LIHTC, CDBG and HOME funds must benefit low-income<sup>3</sup> individuals and households with incomes of up to 80 percent of the area median income (AMI), as defined by the U.S. Department of Housing and Urban Development (HUD). In FY 2005, this figure is \$58,000 for a four-person household. The D.C. Metropolitan area median income in FY 2005 is \$85,400.) See Table 1 for the HUD CDBG and HOME income limits for all household sizes. For income limits for LIHTCs, see the RFP Reference Guidebook.

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<sup>1</sup> [www.hud.gov](http://www.hud.gov): Resources/Handbooks-forms/HUD handbooks, etc./HUDCLIPS/Shortcuts/Code of Federal Regulations; CDBG is Title 24, Part 570; HOME is Title 24, Part 92.

<sup>2</sup> Call the Superintendent of Documents Office, Government Printing Office, 202-512-1800.

<sup>3</sup> The CDBG program uses the terms “low” and “moderate” income, while all other HUD programs use the terms “very low” and “low” income to describe the same population. To be consistent, this RFP uses the terms “very low” and “low”. Unless otherwise specified, “low income” means an income of up to 80 percent of the area median income.

**Table 1: CDBG & HOME Income Limits (2005)**

<b>Household Size</b>	<b>1 Person</b>	<b>2 Persons</b>	<b>3 Persons</b>	<b>4 Persons</b>	<b>5 Persons</b>	<b>6 Persons</b>	<b>7 Persons</b>	<b>8 Persons</b>
Maximum income 30%	18,750	21,450	24,100	26,800	28,950	31,100	33,200	35,350
Maximum income 50% <sup>4</sup>	31,250	35,700	40,200	44,650	48,200	51,800	55,350	58,950
Maximum income 60%	37,500	42,840	48,240	53,580	57,840	62,160	66,420	70,740
Maximum income 80% <sup>4</sup>	40,600	46,400	52,200	58,000	62,650	67,300	71,900	76,550
Uncapped Low Income <sup>5</sup> Limit <sup>6</sup>	50,000	57,200	64,300	71,400	77,200	82,900	88,600	94,300

Alternately, a CDBG-funded project must benefit a low-income community (an area in which at least 51 percent of the residents are low-income, and the activity will benefit them primarily), or a limited clientele (e.g., homeless persons) that are presumed to be primarily low-income.

HOME funds also may benefit households with incomes of up to 80 percent of the area median income, as shown in Table 1. HOME regulations specify that 90 percent of the total households assisted through the rental program have incomes that do not exceed 60 percent of the area median income. The balance of the rental units must assist tenants with incomes that do not exceed 80 percent of the area median income. In addition, in projects of five or more HOME-assisted units, families who have annual incomes that are 50 percent or less of the median income must occupy at least 20 percent of the HOME-assisted rental units.

The relevant income limits are shown in Table 1.

The HPTF income eligibility limits, unlike the CDBG and HOME Program income eligibility limits, are calculated against a true percentage of the four-person Area Median Income (AMI) published by HUD, without the adjustments that HUD makes. **Eighty percent of median income is calculated as a true 80 percent of the FY 2004 AMI of \$85,400, 50% percent of median income is calculated as a true 50 percent of \$85,400, and so on.** DHCD further adjusts the income limits for household size by increasing or decreasing the four-person household income limit by 10 percent for each additional (or fewer) person in the household. Therefore, the income limit for a two-person household is 80 percent of the four-person

<sup>4</sup> “Very Low Income” for HOME, and “Low Income” for CDBG.

<sup>5</sup> “Low Income” for HOME, and “Moderate Income” for CDBG.

<sup>6</sup> DHCD generally uses the definitions as stated in footnotes 1 and 2 above for “low income”. However, since 1999 HUD has exempted DC from these “low-income”, and has allowed the use of “uncapped limits” i.e. 80% of the actual median DC income. DC reserves the right to allow the use of uncapped income limits for a CDBG or HOME-funded project.



household limit, while the limit for a six-person household is 120 percent of the four-person household limit. See Table 2.

Income limits in Tables 1 and 2 are in effect for the remainder of Fiscal Year 2005 (through September 2005). HUD will publish the new AMI, generally in the following Spring. Applicants' projects must meet whatever income limits are in effect at the time of funding, and must subsequently adjust income and rent limits to maintain ongoing compliance with program regulations as new limits are published.

**Table 2: HPTF Income Limits (2005)**

<b>AMI</b>	89,300							
<b>Maximum Homebuyer Tenant Income</b>	<b>1 Person</b>	<b>2 Persons</b>	<b>3 Persons</b>	<b>4 Persons</b>	<b>5 Persons</b>	<b>6 Persons</b>	<b>7 Persons</b>	<b>8 Persons</b>
<b>Extremely Low (0 – 30% of AMI)</b>	18,753	21,432	24,111	26,790	29,469	32,148	34,827	37,506
<b>Very Low (31 - 50% of AMI)</b>	31,250	35,720	40,185	44,560	49,115	53,580	58,045	62,510
<b>Low (51 - 80% of AMI)</b>	50,008	57,152	64,296	71,440	78,584	85,728	92,872	10,0016
<b>HPTF Rent Limits</b>								
		<b>Extremely Low (0 - 30% of AMI)</b>		<b>Very Low (31 - 50% of AMI)</b>		<b>Low - (51 - 80% of AMI)</b>		
<b>Efficiency (or bed in congregate facility)</b>		469		781		1,250		
<b>1 Bedroom</b>		536		893		1,429		
<b>2 Bedroom</b>		603		1,005		1,607		
<b>3 Bedroom</b>		737		1,228		1,965		
<b>4 Bedroom</b>		871		1,451		2,322		
<b>5 Bedroom</b>		938		1,563		2,500		

Note that the Housing Act of 2002 requires:

- At least 40 percent of HPTF monies disbursed in a given fiscal year benefit extremely low-income households – those at 0-30 percent of the area median income;
- At least 40 percent of HPTF monies disbursed in a given fiscal year must benefit very low-income households – those at 31-50 percent of the area median income; and

- The remainder of HPTF can benefit low-income households – those at 51-80 percent of the area median income.

***B. Strategic Neighborhood Investment Areas, Great Streets, Neighborhood Investment Areas and Neighborhood Revitalization Strategy Areas:*** Although DHCD will accept proposals for eligible projects throughout the city, the Department will concentrate 65 percent<sup>7</sup> of our funding in 13 areas that the Mayor has designated as Strategic Neighborhood Investment Areas, as well as the two Neighborhood Revitalization Strategy Areas (NRSAs). Also of particular geographic importance to DHCD is the Metropolitan Police Department (MPD) designated 14 Hot Spot areas. DHCD encourages the submission of proposals for development of projects within the HUD designated NRSA to assist DHCD in meeting its requirements of job creation and housing development. DHCD requested the NRSA designations to address economic development needs of these areas. The strategic neighborhood investment areas are:

- |                      |                                    |                                  |
|----------------------|------------------------------------|----------------------------------|
| • Anacostia          | • H Street, NE                     | • Pennsylvania Avenue / Fairlawn |
| • Bellevue           | • Howard University / LeDroit Park | • Shaw                           |
| • Columbia Heights   | • Minnesota / Benning              | • Takoma Park                    |
| • Congress Heights   | • Near Southeast                   | • Trinidad / Ivy City            |
| • Georgia Avenue, NW |                                    |                                  |

“DHCD encourages the submission of proposals within the development of projects within the HUD designated NRSA to assist DHCD in meeting its requirements of job creation and housing development. DHCD requested the NRSA designations to address economic development needs of these areas:

The NRSAs are:

- Georgia Avenue, N.W.<sup>7</sup>
- Carver/Langston Terrace-Ivy City-Trinidad<sup>8</sup>



The “**Great Streets Initiative**” is a multi-year, multi-agency effort to transform under-invested corridors into avenues of opportunity with thriving and inviting neighborhood centers. The District plans to use public actions, tools and funding like this RFP, to leverage private and not-for-private investment in affordable housing, local businesses opportunities (retail and office), financially self-sufficient cultural facilities and jobs for local residents. As leverage, the District is prepared to expend up to \$16 million in gap financing of economic and community development projects within specific focus areas of the 22 ½ miles of corridors and over \$100

<sup>7</sup> Pending the receipt of sufficient viable applications to achieve this level of award.

<sup>8</sup> Georgia Avenue, NW, has a dual designation as both an NRSA and a Strategic Neighborhood Area with the same boundaries.

<sup>9</sup> This NSRA has different boundaries than the Trinidad / Ivy City Strategic Neighborhood Area. See the RFP Reference Guidebook.

million to enhance streetscapes, transportation and transit along the corridors. The targeted corridors are:

The NRSAs are:

1. 7<sup>th</sup> Street Georgia (Mount Vernon Square to Eastern Avenue – 5.6 miles) (Wards 1,2 & 4)
2. H Street, NE (North Capitol to 17<sup>th</sup> Street, NE – 1.5 miles) (Ward 6)
3. Benning Road (Bladensburg Road to Southern Avenue – 3.5 miles) (Wards 5,6 & 7)
4. Martin Luther King Jr. Avenue SE and South Capitol Street (East of the River) (Good Hope Road to Southern Avenue - 3.74 miles) (Ward 8)
5. Pennsylvania Avenue SE (Wards 6,7 & 8) (2<sup>nd</sup> Street SE to Southern Avenue – 3.49 miles)
6. Minnesota Avenue, NE-SE (Wards 7 & 8) (Good Hope Road to Sheriff Road – 3.52 miles)
7. Nannie Helen Burrough Avenue NE (Ward 7) Minnesota Avenue to Easter Avenue – 1.45 miles)

The nine priority Great Streets focus sub-areas are:

1. Shaw Metro Center - O Street NW to Barry Place NW (7<sup>th</sup> Street – Georgia Avenue NW)
2. Petworth Metro Area - Irving Street to Kansas Avenue NW (7<sup>th</sup> Street – Georgia Avenue NW)
3. Gateway – Fern Street NW to Eastern Avenue NW (7<sup>th</sup> Street – Georgia Avenue NW)
4. First Street NE to 17<sup>th</sup> Street NE (H Street NE)
5. Benning – Anacostia Street NE to Flint Street NE and Minnesota – East Capitol Street to Hayes Street (Benning Road NE and Minnesota Avenue NE)
6. MLK – 11<sup>th</sup> Street Bridge to Stanton Street SE and GHR – Minnesota to MLK (MLK Jr. Avenue SE and Good Hope Road SE)
7. MLK Jr. Avenue SE to Chesapeake Street SE/SW (South Capitol Street)
8. Fairlawn Street SE to 27<sup>th</sup> Street SE (Pennsylvania Avenue SE)
9. NHB – 50<sup>th</sup> Street to 55<sup>th</sup> Street and Division – Brooks Street to Hayes Street (Nannie Helen Burroughs Avenue NE plus Division Avenue NE)

This RFP is a part of DHCD's planned contribution to advance the goals and objectives of the Great Streets Initiative. Added weight will be given to eligible projects within the above nine Great Streets focus sub-areas.

**C. Federal Low Income Housing Tax Credits:** A summary of the LIHTC Program is contained in the RFP Reference Guidebook. The LIHTC Program Guide and the Qualified Allocation Plan are provided separately.

**D. Project Types, Priorities and Uses of Funds:** The funding sources may be used for a variety of projects. The most common eligible project types include:

- Preservation of Expiring, Federally Subsidized, Affordable Rental Housing
- Special Needs Housing
- Elderly Housing
- New Construction of Affordable Rental or For-Sale Housing

- Substantial Rehabilitation of Affordable Rental or For-Sale Housing
- Community Facilities

Residential projects must contain five (5) or more units to be eligible for funding. All housing assisted under this RFP must meet the federal and local housing codes and the appropriate income guidelines for beneficiaries.

**4.1. Priorities:** Although the above projects are eligible, DHCD will give priority to certain types of projects:

- Projects in one of the 13 Strategic Neighborhood Investment Areas and the two NRSAs.
- Projects in either of the nine Great Streets Focus Sub-Areas – particularly mixed use, housing and commercial projects – or within the bounds of the 12 Neighborhood Investment Fund Areas.
- Preservation of affordable housing opportunities for very low- and extremely low-income households in buildings with expiring federal subsidies.
- Homeownership projects
- Affordable rental housing development for extremely low-income households.
- Commercial and community facilities that serve low-income communities.
- Façade projects and commercial/retail building development in strategic investment areas or that leverage resources committed through the ReStore DC initiative.
- Projects designated by the Metropolitan Police Department (MPD) as one of the 14 “Hot Spots” identified in the attached as Section 2. Exhibit – E of the Reference Guidebook.
- Projects, which provide high-speed Internet access to units at no cost to residents.

DHCD’s resources are anticipated to be allocated to meet the stated priorities. The distribution of available funding for these priorities is shown in Table 3.

**Table 3: Proposed DHCD FY 2006 Spending Plan**

<b>Type of Project</b>	<b>HPTF</b>	<b>CDBG/HOME</b>	<b>LIHTC</b>
<b>Elderly</b>	\$ 6.0 million	\$1.0 million	\$.50 million
<b>Special Needs</b>	\$ 3.0 million	\$2.0 million	\$.25 million
<b>Preservation of Exp. Fed. Subs.</b>	\$ 6.0 million	\$2.0 million	-
<b>Rehab/New Construction (Rental)</b>	\$6.0 million	\$2.0 million	\$.25 million
<b>Homeownership</b>	\$9.0 million	\$2.0 million	-
<b>Community Facilities</b>	-	\$1.0 million	-
<b>Total</b>	\$30 million	\$10 million	\$1 million

**4.2. Types and Uses of Financing, and Eligible Costs:** Financing may be used for virtually any development finance purpose including, but not limited to:

- Acquisition
- Construction financing
- Interim financing
- Permanent financing
- Eligible predevelopment costs
- Eligible hard and soft costs

**Financing may not be used for:**

- Project-based rental assistance to tenants
- Tenant-based rental assistance to tenants
- Down payment assistance
- Security or utility deposits
- Developer Fees
- Social services
- Capacity building
- Tax liabilities nor any other District or federal obligations
- Operating and maintenance expenses

**E. Types of Investment:** DHCD may provide investment in projects in the forms of loans and grants. DHCD will have the sole discretion to determine the type of investment it will make in a project.

**F. Monitoring Requirements.** In accordance with Federal and District regulations, DHCD is required to monitor the use of the funds distributed under this RFP. Applicants receiving financial assistance from DHCD for projects could be subject to any and/or all of the following:

**Table 4: Monitoring Elements, Guidelines and/or Requirements**

<ul style="list-style-type: none"> <li>• Community Development Block Grant (CDBG), including all applicable Office of Management and Budget (OMB) Circulars, such as A-110, A-122, and A-133</li> <li>• HOME Investment Partnerships Program (including long-term affordability requirements)</li> <li>• Housing Production Trust Fund regulations (including continuous affordability requirements)</li> <li>• Environmental Reviews - 24 CFR Part 85</li> <li>• Affirmative Action Program (Local Small Disadvantaged Business Enterprises – Mayor’s Order 85-85)</li> <li>• Section 3 - (24 CFR Part 135)</li> </ul>	<ul style="list-style-type: none"> <li>• First Source Employment Agreements</li> <li>• Registration with DC Apprenticeship Council</li> <li>• Americans with Disabilities Act of 1990</li> <li>• Lead Safe Housing Rule (Lead Based Paint)</li> <li>• Section 504 of Rehabilitation Act of 1973, as amended</li> <li>• Uniform Relocation Act or District of Columbia Relocation Assistance provisions (10 DCMR Chapter 22)</li> <li>• Freedom of Information Act</li> <li>• Davis Bacon and related Acts</li> <li>• Conflict of Interest (24 CFR § 570.611 and 24 CFR §§ 84.42 and 85.36)</li> <li>• Fair Housing (24 CFR Part 14 et al)</li> <li>• LIHTC (§ 42 of IRS Code of 1986)</li> </ul>
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